



@NACoTweets  
#NACoLeg

2022 NACo

# LEGISLATIVE CONFERENCE

FEBRUARY 12-16 | WASHINGTON HILTON | WASHINGTON, D.C.





2022 NACo

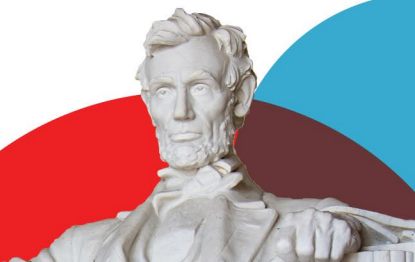
# LEGISLATIVE CONFERENCE



@NACoTweets  
#NACoLeg

## *International Economic Development Task Force*

*Sunday, February 13 | 1:30PM – 3:00PM*



2022 NACo

# LEGISLATIVE CONFERENCE



## U.S.-China Business Council (USCBC)



**Mr. Craig Allen**

*President*

2022 NACo

# LEGISLATIVE CONFERENCE



## Embassy of Australia in Washington, D.C.



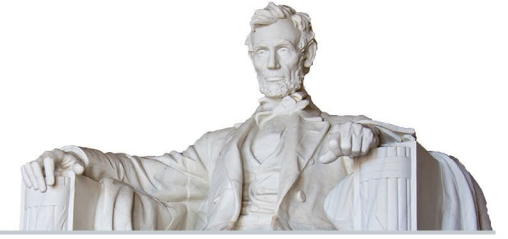
**Mr. Andrew Jory**

*Minister-Counsellor (Trade)*



2022 NACo

# LEGISLATIVE CONFERENCE



## Embassy of India in Washington, D.C.



**Dr. Ravi Kota**

*Minister (Economic)*

2022 NACo

# LEGISLATIVE CONFERENCE



## U.S.-China Business Council (USCBC)



**Mr. Craig Allen**

*President*

# Chinese Investment in the US Economy

And how county leaders can help connect  
local business with Chinese businesses



# Two-Way Street: 2021 Update

## US-China Investment Trends

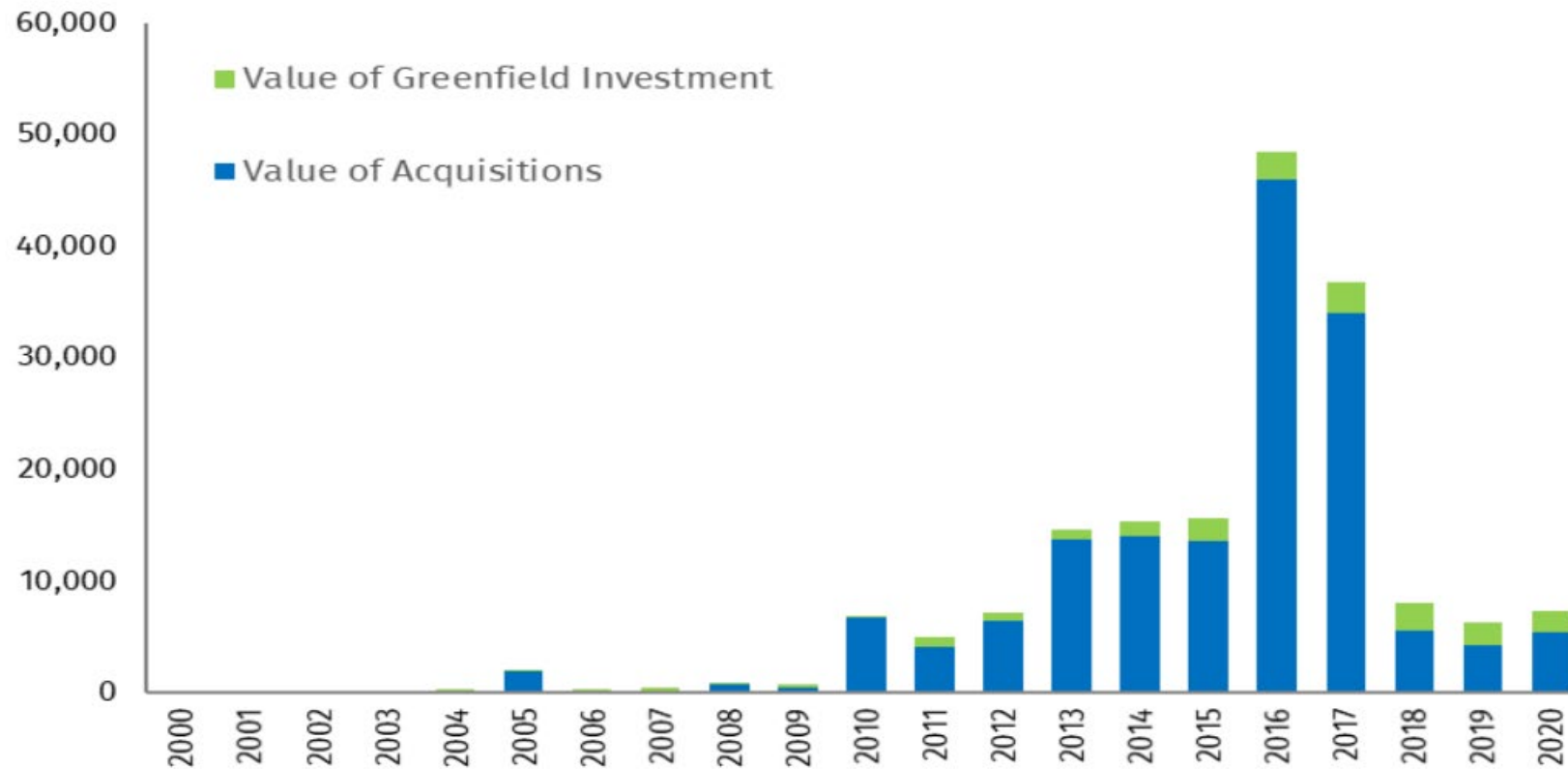
- Report by Rhodium Group and National Committee on US-China Relations
- Published May 2021
- [https://rhg.com/wp-content/uploads/2021/05/RHG\\_TWS-2021\\_Full-Report\\_Final.pdf](https://rhg.com/wp-content/uploads/2021/05/RHG_TWS-2021_Full-Report_Final.pdf)





# Value of Chinese FDI transactions in the US (2000-2020)

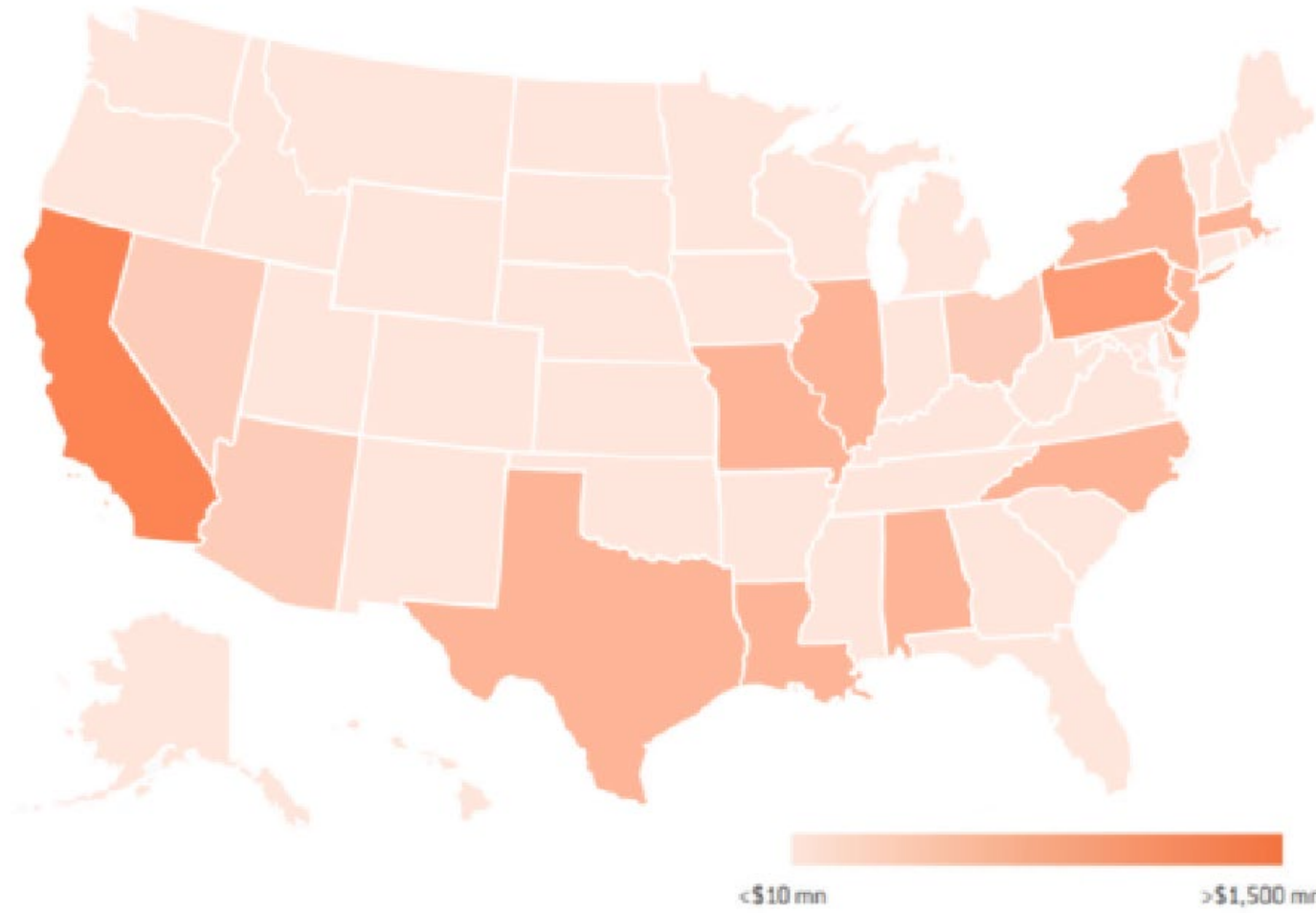
USD million



Source: Rhodium Group.



# Geographic distribution of Chinese FDI (2020)



Source: Rhodium Group.



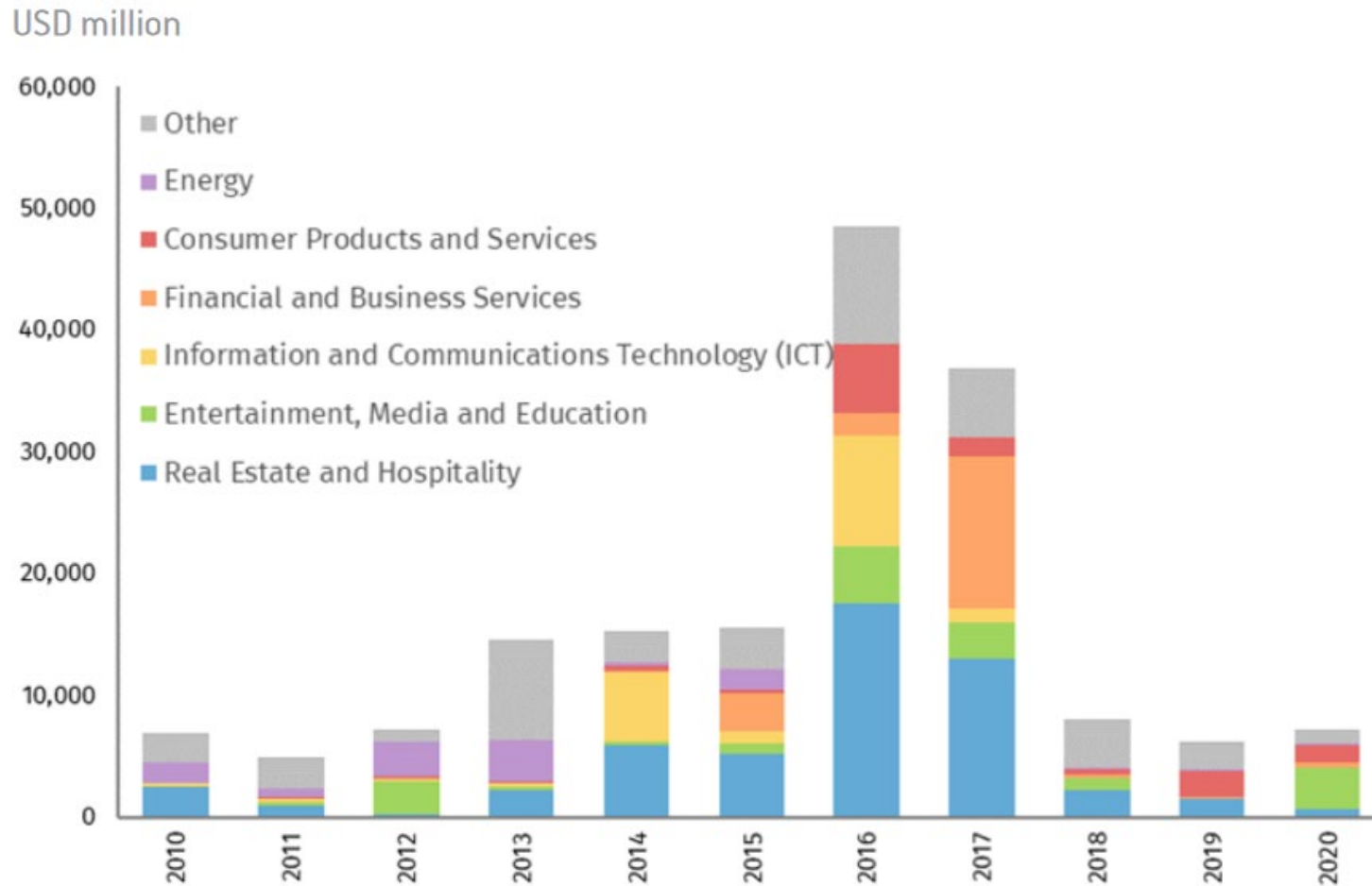
# Top US state recipients of Chinese FDI (2020)

1. California (\$3.9 billion)
2. Pennsylvania (\$950 million)
3. Delaware (\$465 million)
4. Massachusetts (\$177 million)
5. Missouri (\$163 million)

Source: Rhodium Group



# Chinese FDI in the US by industry (2010-2020)



Source: Rhodium Group.



# Investment Outlook Variables

1. Pandemic Recovery – infections and economy
2. China's restrictive policies toward outbound investment, driven by a renewed focus on domestic stability
3. China's regulatory approach to specific industries
4. US's political and regulatory approach
  - *Rivalry remains, but more predictable than under Trump*
  - *Less decoupling rhetoric instills confidence*
  - *Potential implementation of new export, investment, supply chain, and other rules*
  - *Coordinated with allies*
5. Greenfield investments by China to avoid tariffs

Source Summary: Rhodium Group



# Tips for Recruiting Chinese Investment

1. Relationships and cultural competency are key
2. Roll out the Red Carpet
3. Hire a professional interpreter/translator
4. Involve local leaders from the Chinese community
5. Have a list of local Chinese community resources and nearby Chinese-invested businesses





# Tips for Connecting with Chinese Businesses

## 1. For Exporting:

- *US Commercial Service*
- *USDA Foreign Agricultural Service*
- *Small Business Development Center (SBDC) International Trade Centers*

## 2. For General Business Partners or Sourcing:

- *Local/regional China-related business associations*
- *Trade shows in China*

## 3. For Investment:

- *InvestUSA*
- *Investment banks*



# 2021 State & District Export Reports

- Reports by US-China Business Council
- Published Summer and Fall 2021 (respectively)
- <https://www.uschina.org/reports>



# Topline national data on US exports to China

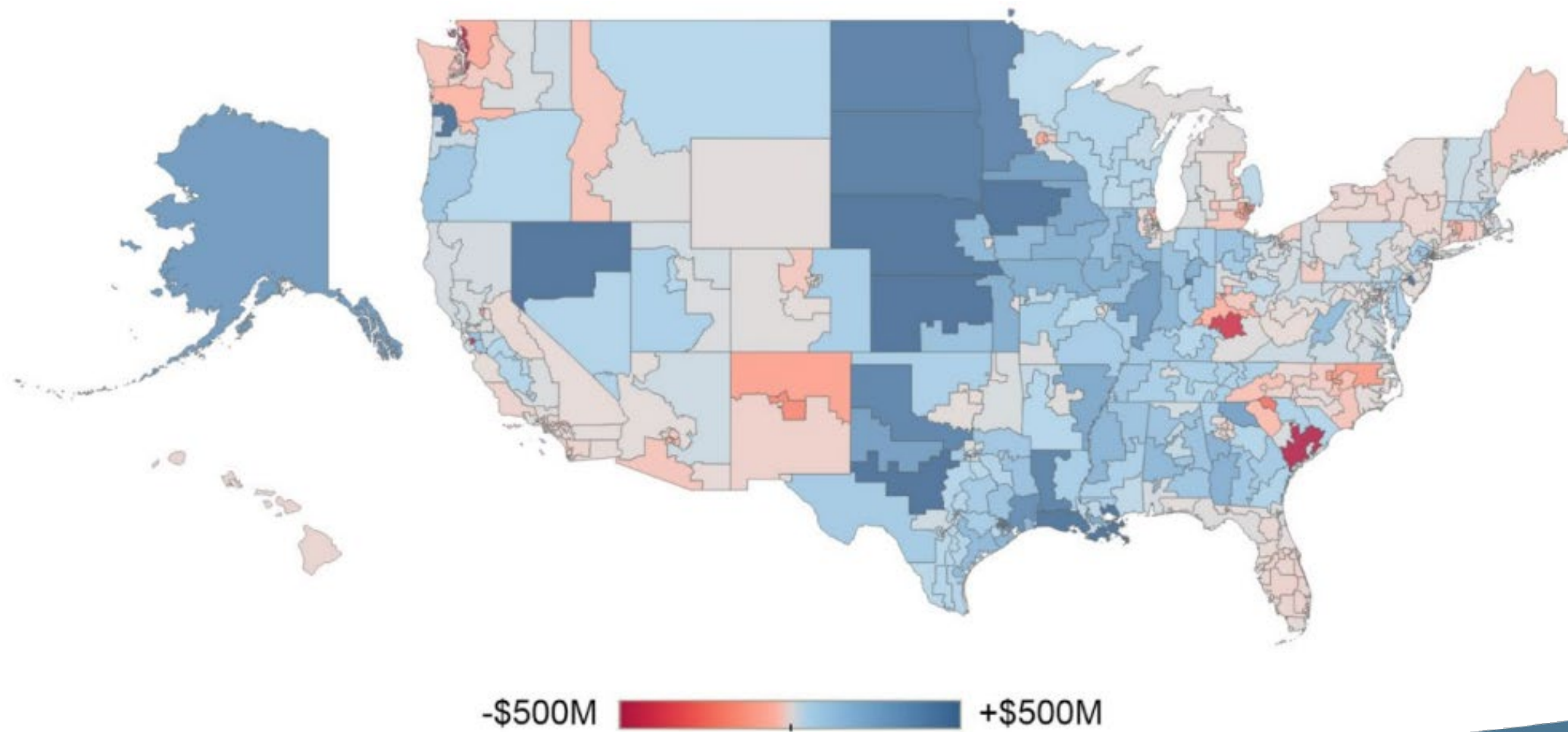
**\$123 billion** • *US goods exports to China, 2020*

**\$54 billion** • *US services exports to China, 2019*

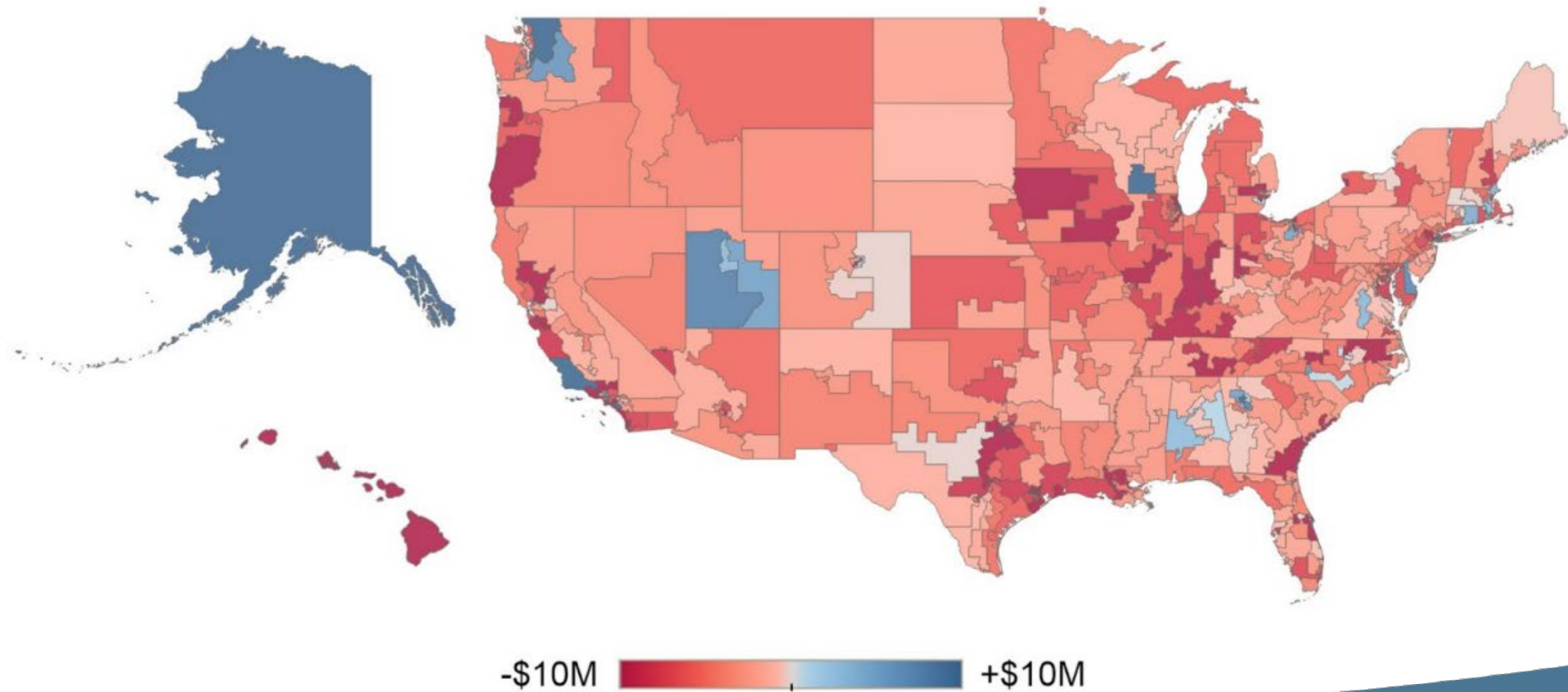
**916,000** • *US jobs supported by exports to China, 2019*



# Change in goods exports to China (2019-2020)



# Change in services exports to China (2018-2019)



# 50 States, 50 Stories

- Sign up for 50/50 E-newsletter
- Interview and tell your community's China investment or trade story
- Refer SMEs in your community to tell their story
- Invite USCBC to speak at your local event
- Email [erowland@uschina.org](mailto:erowland@uschina.org) for more info

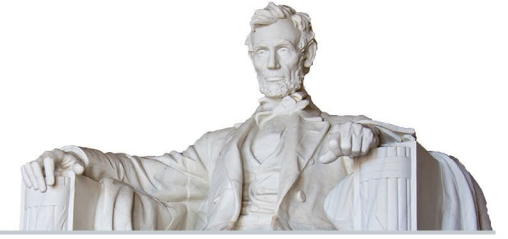
<https://www.uschina.org/50-states-50-stories>





2022 NACo

# LEGISLATIVE CONFERENCE



## Embassy of Australia in Washington, D.C.



**Mr. Andrew Jory**

*Minister-Counsellor (Trade)*

# CELEBRATING 15 YEARS OF AUSFTA

AUSTRALIA-UNITED STATES  
FREE TRADE AGREEMENT



Video Link: <https://www.youtube.com/watch?v=GODbx1v0RRg>

2022 NACo

# LEGISLATIVE CONFERENCE



## Embassy of Australia in Washington, D.C.



**Mr. Andrew Jory**

*Minister-Counsellor (Trade)*

2022 NACo

# LEGISLATIVE CONFERENCE



## Embassy of India in Washington, D.C.



**Dr. Ravi Kota**

*Minister (Economic)*



# DEEPENING INDIA-US PARTNERSHIP:

*Connecting Local  
Businesses To Global  
Economy*

**2022 NACo: LEGISLATIVE CONFERENCE**

***International Economic Development Task Force***

*Sunday, Feb 13, 2022, 1.30pm-3.00 pm, Washington DC*

*Speaker:*

*Dr. Ravi Kota, Minister (Economic)*

*Embassy of India, Washington DC*

# US-India Economic Partnership: Then and Now



***In 1994,, WSJ said:  
“India is more interesting  
than important”.***

## **Today: MORE THAN IMPORTANT**

*3<sup>rd</sup> largest economy (PPP), youngest demographically,  
2<sup>nd</sup> largest English-speaking population, 2<sup>nd</sup> largest in  
STEM graduates, internet users, and mobile-phone  
users, 3<sup>rd</sup> largest group of scientists and technicians in  
the World, and many more.*

\$5.7 billion bilateral  
goods trade in 1994

NOW, \$113 billion

Strategic partners in  
true sense

Young and aspiring  
India, Only largest  
economy with a high  
growth for next 25  
years

Need is to mastering  
SME's cross-border  
supply chains; Digital is  
the key and Supply  
Chain Finance



# Importance of Indian Investments in the US Economy

The Best is Yet to Come....

- The US is India's largest trading partner
- Bilateral trade stronger than ever
- 35% increase in Goods trade throughout the last four years
- Crossed the historic \$100 billion mark in FY21.

- \*India's FDI into US:
  - 155 companies
  - \$22 billion invested
  - 125,000 jobs
- 1/3 are in IT& Telecom
- 1/4 are in Life sciences, pharma and healthcare
- 1/5 are in mfg
- Others in Automobile, energy, food & agri, aerospace & defence, mining and materials

\* CII-Grant Thornton Report 2020: "Indian Roots-American Soil"

# What Indian businesses are looking for

Two-Fold:  
Big Companies and SME partnerships

- The US is a priority market
- And, CII Survey, 2020:
  - 77%: plan to invest more;  
12%: no & rest not sure
  - 80% said they plan to increase hiring in the US over the next 5 years
- WHAT distinguishes certain areas of the USA that got greater Indian Investment and job creation:
  - (a) Enabling business environment, strong local markets, infra, and incentives
  - (b) Accessible state/local leaders
  - c) Strong educational institutions
  - d) Skilled workforce
  - e) Smooth labor mobility
  - f) Equal access/level playing field

## Next 10 years, Indian Investors are keen on:

- IT, ITES, Semiconductors
- Life sciences, Pharma and health care
- Automobile, emerging cleantech
- Energy
- Aerospace and defence, geospatial
- Food and agri

## And, SMEs

## How County Leaders Can Help Connect Local Businesses with Indian Industry

- Besides, bigger companies, SME is a huge opportunity.
- Need to develop seamless global supply chains to improve SMEs' competitiveness
- More intense cross-border economic relations-more regulatory processes

### ***SMEs: A Promise Made But not (yet) Kept***

- USA: 33-43-33

*(33 million SMEs contribute to 43% of GDP and 33% of exports)*

*>60% of new jobs created annually*

- India:63-30-49

*(63.5 million SMEs contribute to 30% of GDP and 49% of exports)*

*>40% of new jobs created annually*

**Resilience and Digitization:  
SMEs are The Answer in the Post-Pandemic Scenario**

# SME: International Supply chains and Competitiveness

Beyond trade revenue and employment, spillovers include *technical know-how, access to new technologies and mgmt (OECD, 2013)*

- US and India should look at mutual strengths in SMEs and align the supply chains to make them resilient and target to export to other countries.
- EMs to consume ~ 2/3<sup>rd</sup> the world's manufactured goods by 2025, with products such as cars, building products, and machinery leading the way.
- \$4.6 tn of global exports (26% of the total) \* could be in scope for relocation over the next 5 years.
- Supply-chain diversification as a catalyst for holistic Supply Chain Finance

- FDI into US:\$ 4.4 trillion and out from US: \$6.15 trillion: Can help in Supply Chain Finance (SCF)\*
- India's SME revolution, Start-ups, record number of Unicorns (44) in 2021.
- Countries and India can partner to create a new revolution, may we call it ***Mission-SME 2.0.***
- Retooling and reskilling and >4 million Indian origin Americans can act as a bridge; bilateral trade/ advocacy bodies

\***The 2020 Global McKinsey Report:** Significant value in the global SCF market remains untapped. Nearly 80% of eligible assets do not benefit from better working-capital financing, and the remaining 1/5<sup>th</sup> of assets are often inefficiently financed

# Digitization and Resilience of SME Supply Chains

Covid-19 **supercharged** the trends around digitization, platforms and finance provision

Supply-chain leaders will focus on resilience and digitization

*(McKinsey survey of 60 senior supply-chain executives, 2Q 2020)*

- 93% Plan to increase level of resilience across supply chain
- 54% Expect changes to supply-chain planning after COVID-19
- 90% Plan to increase in-house digital supply-chain talent

Digitization: Tackling fragmentation of delivery across the supply chain

Changing Competitive forces for bank finance through IT platforms, Fintechs, Consortia and E-commerce giants

- For eg., *Tradeshift*, offers an integrated platform to large buyers and SME suppliers spanning the procurement value chain.
- Several consortia have emerged in trade finance leveraging technology such as blockchain
- It is possible that large e-commerce orchestrators (such as Amazon) will coalesce into this model over time and gain significant Supply Chain Finance market share, particularly in serving SMEs.

# SME Partnerships: India can offer

## Collaboration on Sourcing Opportunities:

- One District One Product (ODOP) initiative: **INVEST INDIA** can work with **NACo** for intermediate products (across distinct categories) to further manufacture in the US.
- Engagement could include:
  - Showcase & Buyer-Seller Meet
  - B2B Summit, connecting interested buyers and sellers from both sides.
  - Onsite/Virtual Roadshows
  - **INVEST INDIA** and the **NACo** can jointly identify areas of interest like spices, handicrafts, textiles, etc.

## Innovation & Technology Opportunities:

- *The AGNli (Accelerating Growth of New India's Innovations):*

**INVEST INDIA** and **NACo** can showcase India's market-ready indigenous innovations across all major sectors.
- Further, **INVEST INDIA** and **NACo** can jointly identify new areas of technology infusion and organize innovation showcase series/challenges, pitching sessions, and other activities to promote collaboration in infra, clean energy, water, sanitation, waste management, etc.



THANK YOU

[mineco.washington@mea.gov.in](mailto:mineco.washington@mea.gov.in)





2022 NACo

# LEGISLATIVE CONFERENCE



@NACoTweets  
#NACoLeg

## *International Economic Development Task Force*

*Sunday, February 13 | 1:30PM – 3:00PM*

